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KEKER & VAN NEST, LLP
DARALYN J. DURIE - #169825
DAVID J. SILBERT - #173128
DANIEL E. JACKSON - #216091
MATTHIAS A. KAMBER - #232147
710 Sansome Street
San Francisco, CA 94111-1704
Telephone: (415) 391-5400
Facsimile: (415) 397-7188
ddurie@kvn.com
dsilbert@kvn.com
djackson@kvn.com
mkamber@kvn.com

Attorneys for Defendant
COMCAST CABLE COMMUNICATIONS LLC

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA – SAN JOSE DIVISION

In re ACACIA MEDIA TECHNOLOGIES CORPORATION	Case No. C-05-01114 JW **OPPOSITION TO ACACIA'S MOTION FOR RECONSIDERATION AND CLARIFICATION OF THE JULY 12, 2004 *MARKMAN* ORDER** Date: September 8-9, 2005 Time: 9:00 a.m. Courtroom: 8, 4th Floor Judge: Honorable James Ware

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Defendants[1] submit the following Opposition to Acacia's Motion for Reconsideration and Clarification of the July 12, 2004 Markman Order.

I. INTRODUCTION

Acacia contends that the patents it is asserting in this lawsuit grant it ownership of large segments of the American telecommunications industry, including cable and satellite television, and the transmission of video and audio over the Internet. The claims that supposedly cover these fundamental and far-reaching technologies, however, rely on invented phrases that the specification never defines or even mentions. As the Court correctly concluded, those claims fail to give the required fair notice of the metes and bounds of Acacia's alleged inventions. In its Motion for Reconsideration, Acacia proffers arguments and evidence that, if anything, make the boundaries of those claims less clear, not more. For these reasons, and as set forth in more detail below and in the accompanying Declaration of Andrew Lippman, the Court should deny Acacia's Motion.

II. ARGUMENT

A. The terms "sequence encoder" and "identification encoder" are indefinite.

The Patent Act requires that "[t]he specification shall conclude with one or more claims *particularly pointing out and distinctly claiming* the subject matter which the applicant regards as his invention." 35 U.S.C. § 112, ¶ 2 (emphasis added). Whether a claim is invalid for failure to satisfy this "definiteness requirement" is "a legal conclusion that is drawn from the court's performance of its duty as the construer of patent claims." *Datamize, LLC v. Plumtree Software, Inc.*, No. 04-1564, 2005 U.S. App. LEXIS 16176, at *10 (Fed. Cir. August 5, 2005).

As the Federal Circuit recently confirmed in *Datamize*, "the purpose of the definiteness requirement is to ensure that the claims delineate the scope of the invention using language that

[1] The following defendants join in this Opposition: The DirecTV Group, Inc.; Coxcom, Inc.; Charter Communications, Inc.; Armstrong Group; Wide Open West Ohio LLC; East Cleveland Cable TV and Communications, LLC; Massillon Cable TV, Inc.; Mid-Continent Media, Inc.; US Cable Holdings LP; Sjoberg's Cablevision, Inc.; Loretel Cablevision; Arvig Commuinications Systems; Cannon Valley Communications, Inc.; NPG Cable, Inc.; Mediacom Communications, Corp.; Cable One, Inc.; and Cequel III Communications I, LLC (dba Cebridge Connections).

adequately notifies the public of the patentee's right to exclude." *Id.*; *see also All Dental Prodx, LLC v. Advantage Dental Prods.*, 309 F.3d 774, 779-80 (Fed. Cir. 2002) ("The primary purpose of the definiteness requirement is to ensure that the claims are written in such a way that they give notice to the public of the extent of the legal protection afforded by the patent, so that interested members of the public, e.g., competitors of the patent owner, can determine whether or not they infringe."); *Union Pac. Res. Co. v. Chesapeake Energy Corp.*, 236 F.3d 684, 692 (Fed. Cir. 2001) ("The definiteness inquiry focuses on whether those skilled in the art would understand the scope of the claim when the claim is read in light of the rest of the specification.").

Indeed, when patent claims are unclear, the ultimate purpose of the patent laws—to "promote the Progress of Science and useful Arts"—is thwarted. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 730 (2002) (quoting U.S. Const. art. I, § 8, cl. 8). As the Supreme Court explained in *Festo*, the patent monopoly "is a property right; and like any property right, its boundaries should be clear. This clarity is essential to promote progress, because it enables efficient investment in innovation. A patent holder should know what he owns, and the public should know what he does not." *Id.* Likewise, in *United Carbon Co. v. Binney & Smith Co.*, 317 U.S. 228 (1942), the Supreme Court held that:

> To sustain claims so indefinite as not to give the notice required by the statute would be in direct contravention of the public interest which Congress therein recognized and sought to protect. . . . The statutory requirement of particularity and distinctness in claims is met only when they clearly distinguish what is claimed from what went before in the art and clearly circumscribe what is foreclosed from future enterprise. A zone of uncertainty which enterprise and experimentation may enter only at the risk of infringement claims would discourage invention only a little less than unequivocal foreclosure of the field.

Id. at 233-36; *accord Datamize*, 2005 U.S. App. LEXIS 16176, at *11; *Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1379 (Fed. Cir. 2000).

Accordingly, a claim is indefinite, and therefore invalid, if it is "not sufficiently precise to permit a potential competitor to determine whether or not he is infringing." *Morton Int'l v. Cardinal Chem. Co.*, 5 F.3d 1464, 1470 (Fed. Cir. 1993).

1. "Sequence encoder" is indefinite.

This Court correctly applied the foregoing principles in determining that the term "sequence encoder" is indefinite. Acacia, however, argues that this Court erred in stating that "the legal consequence of claiming an apparatus which has no plain meaning and which is not defined or referred to in the specification is for the Court to declare the patent claim indefinite" (Order at 14), citing the general principle that the failure to define a claim term is not fatal if the meaning is fairly inferable from the patent. Mot. at 14-15. But the Court did not determine that "sequence encoder" is indefinite simply because that term does not occur in the written description. Rather, "sequence encoder" is indefinite because (a) it has no established meaning to a person of ordinary skill in the art, and (b) neither the claims nor the remainder of the specification are helpful in supplying a meaning. With no ordinary meaning in the art to fall back on, and "[w]ith absolutely no reference or drawing [in the written description], one of ordinary skill in the art would not know what a sequence encoder is, or what structure the encoder has, and how it interacts with other elements of the transmission system." Order at 32.

Thus, the Court employed the proper standard in its indefiniteness analysis—"whether one skilled in the art would understand the bounds of the claim when read in light of the specification." Order at 33 (quoting *Personalized Media Commc'ns L.L.C. v. ITC*, 161 F.3d 696, 705 (Fed. Cir. 1998)). Acacia's real disagreement is not with the standard the Court applied, but with the Court's conclusion that one skilled in the art would not understand the bounds of the claim when read in light of the specification. The Court, however, was entirely correct in that conclusion. Acacia's arguments that "sequence encoder" means "time encoder," on the other hand, cannot withstand scrutiny.

a. The use of the word "sequence" along with the term "time encoder" does *not* imply that "sequence encoder" means "time encoder."

Acacia's first argument for construing "sequence encoder" to mean "time encoder" appears to be based on nothing more than the fact that the word "sequence" sometimes occurs in proximity to the term "time encoder." *See* Mot. at 16-17. Acacia cannot, of course, point to any portion of the written description where the term "sequence encoder" is used in connection with

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"time encoder." As this Court correctly observed, "sequence encoder" never occurs in the written description. And in any event, the Federal Circuit in *Union Pacific* rejected the idea that a claim term that is otherwise undefined and unexplained can be made definite simply because it is *associated* with some other term.

In *Union Pacific*, the claims at issue related to a method for drilling to find oil and natural gas using "boreholes." 236 F.3d at 688. That method included the step of "comparing" information about the strata at the borehole location with such information from an offset location. *Id.* The patent only used the term "comparing" in a few sentences of the specification, and "[t]he precise meaning of the term 'comparing' [was] not explained in the written description." *Id.* at 689, 692. The patent did, however, indicate that "comparing" involved a "correlation" process. "In other words, the 'comparing' step presumably refers to a complex 'correlation' step suggested (but not explained) in the written description." *Id.* Nevertheless, the term "comparing" was indefinite because it was never actually defined to be "correlation," and it "could undoubtedly have other meanings to a person of skill in the art." *Id.*

Similarly here, the term "sequence encoder" is undefined and unexplained. Even if it relates in some way to "time encoding," as Acacia argues, the nature of that relationship is left completely unclear. Like the word "comparing" in *Union Pacific*, the term "sequence encoder" could have a meaning or meanings other than "time encoder" to a person of skill in the art. *See id.* As Acacia's own expert, S. Merrill Weiss, acknowledges, to "sequence" something is simply to place it "in a linear arrangement in accordance with the order of the natural numbers." Weiss Decl. ¶ 70 (quoting IEEE Standard Dictionary of Electrical & Electronic Terms (1996)). Chronological order is obviously not the only "linear arrangement" that follows an order of natural numbers. Indeed, Mr. Weiss indicates that an "alphabetical" arrangement is one possible non-chronological sequence. *See id.*

Moreover, defendants' expert Andrew Lippman will testify that "sequence encoder" not only could, but *would*, mean something other than "time encoder" to a person of ordinary skill in the art reading the '702 patent. *See* Lippman Decl. ¶¶ 71-78. In the context of systems for transmitting digital data, "sequence" is not synonymous with "time." Rather, sequence is used to order events, while time is generally used to synchronize or coordinate them. *Id.* at ¶ 71. For this reason, sequencing and timing generally are not applied to the same elements in a normal system. *Id.* For example, data in a single frame of video or a picture is ordered into a sequence of blocks, which then form another sequence of macro-blocks. These block sequences cannot, by definition, be ordered by time, because they are all within a single video frame. *Id.* ¶ 75.

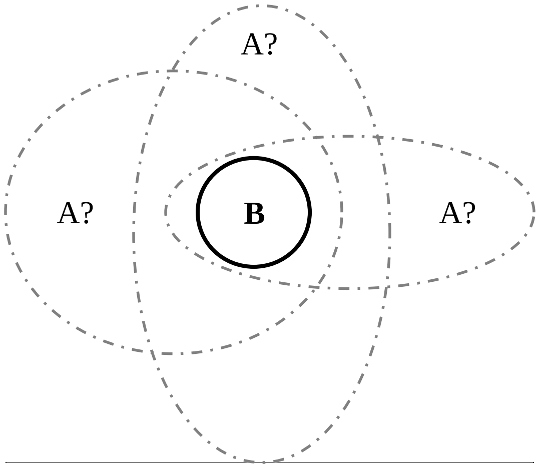
Accordingly, this Court correctly determined that "sequence encoder" is indefinite because it is never defined, explicitly or implicitly, to mean "time encoder," and it "could undoubtedly have other meanings to a person of skill in the art." *Union Pac.*, 236 F.3d at 688.

b. Claim 7 of the '702 patent does not indicate that "sequence encoder" means "time encoder."

Acacia also argues that Claim 7 of the '702 patent indicates that "sequence encoder" means "time encoder," citing the doctrine of claim differentiation. Acacia first observes that Claim 1 recites a "sequence encoder," but provides no information about what it does, while Claim 7 adds the functional limitation that the sequence encoder "transforms digital data blocks into a group of addressable data blocks." Mot. at 17. That much is true. But then Acacia asserts that the patent identifies other functions of the "sequence encoder (time encoder)," and argues from that assertion that the sequence encoder and the time encoder are one and the same. *Id.* at 17-18. In doing so, Acacia simply assumes its own conclusion—that the sequence encoder is the time encoder—as a premise.

Acacia's assumption that the sequence encoder is the time encoder is not only circular, it is contradicted by the specification. Acacia appears to base its assertion on the fact that both the time encoder described in the specification and the sequence encoder of Claim 7 place or transform digital data blocks into a group of addressable data blocks. *See* Mot. at 17-19. But the '702 specification states that time encoding is only one possible method of addressing, not the only method. *See* '702 7:57-60 (stating that "[t]he *preferred* addressing scheme employs time coding." (emphasis added)). Because time coding is only a "preferred addressing scheme," the specification inherently discloses that there may be other such schemes. Accordingly, it is false to assume, as Acacia does, that the "sequence encoder" of Claim 7 is necessarily a time encoder simply because it transforms digital data blocks into a group of addressable data blocks.[2]

In any event, the only thing the doctrine of claim differentiation tells us in this context is that the "sequence encoder" of Claim 1 is "broader" than the "sequence encoder" of Claim 7. As this Court correctly observed, that "does not assist one skilled in the art with defining the boundaries of the claimed element, 'a sequence encoder.'" Order at 33. Acacia's argument to the contrary assumes that to say one thing is "broader" than another is to define its boundaries. *See* Mot. at 18-19. But that is absurd. To say that A is "broader" than B is merely to say that B is a subset of A, and does not indicate where the boundaries of A actually lie:



In fact, the doctrine of claim differentiation—and the related principle that each word in a claim must add meaning—militates against Acacia's construction, not in favor of it. Because Acacia construes "sequence encoder" to mean "time encoder," it is forced to interpret "sequence encoder" in Claim 7 to mean "a time encoder that transforms digital data blocks into a group of

[2] It is also unclear whether the "addressing scheme" that employs time encoding corresponds at all to the function that is recited in Claim 7. The specification states that "time encoder 114 *places* the blocks of converted formatted information into groups of addressable data blocks." '702 7:57-59 (emphasis added). Claim 7 recites that the sequence encoder "*transforms* digital data blocks into a group of addressable data blocks." '702 20:2-3 (emphasis added). The patentees presumably intended "placing" to mean something different than "transforming," though the patent never explains how they are different.

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addressable data blocks." Mot. at 20. But that construction is redundant. *By definition*, the time encoder places blocks of information a group of addressable blocks, because the specification discloses that time encoding is a "preferred addressing scheme." '702 7:57-60; *see also* '702 8:10-12 ("[S]ystem addressing of particular data bytes, and user addressing of particular portions of items are . . . made possible by time encoding.").[3] Because we know from the specification that time encoding places data into groups of addressable blocks, it only makes sense to specify in a dependent claim that the sequence encoder performs that function if the sequence encoder is *not* the time encoder. Acacia's contrary interpretation makes the limitation in Claim 7 redundant, and should therefore be rejected. *See Phillips v. AWH Corp.*, No. 03-1269, -1286, 2005 U.S. App. LEXIS 13954, at *28 ("[T]he presence of a dependent claim that adds a particular limitation gives rise to a presumption that the limitation in question is not present in the independent claim.")[4]

Finally, Acacia makes much of this Court's reference to the sequence encoder of Claim 7 as a "time encoder" in its statement that "[a] time encoder that is described in dependent claim 7 of the '702 patent is a limitation describing the additional function of the sequence encoder but does not assist one skilled in the art with defining the boundaries of the claimed element, 'a sequence encoder.'" Order at 32-33; Mot. at 18-19. The Court's point was not, as Acacia suggests, to hold that the sequence encoder of Claim 7 is a time encoder, but to hold that a person of ordinary skill in the art would not interpret "sequence encoder" to mean "time encoder" simply because the sequence encoder of Claim 7 transforms digital data blocks into a group of addressable data blocks. *See* Order at 32-33. And as we have seen, the specification itself contradicts the assumption that such an "addressing scheme" requires time encoding, since time encoding is only one method of achieving that result. *See* '702 7:57-6.

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[3] This is not to say that one of ordinary skill in the art would know, in the context of the '702 patent, what is meant by "addressable data blocks," how the time encoder generates them, or what—if anything—they have to do with relative time markers. As explained below, the patent raises all of these questions, but provides no answers.

[4] Acacia attempts to counter this argument by arguing that the time encoder need not "only" transform digital data blocks into a group of addressable data blocks. Mot. at 19 n.17. The point, however, is not that the time encoder performs *only* that function, but that it must perform *at least* that function. Because the time encoder, by definition, places data into groups of addressable blocks—regardless of whatever else it may do—Acacia's definition of "sequence encoder" to mean "time encoder" makes Claim 7 redundant.

c. Acacia's expert declarations do not support its argument that "sequence encoder" means "time encoder."

Although Acacia did not file declarations with its motion for reconsideration, it indicates that it will rely on the testimony of Mr. Weiss and Dr. Peter Alexander, and that the substance of their testimony is contained in the declarations they previously filed in connection with the New Destiny defendants' summary-judgment motion. *See* Mot. at 16 n.11. Those declarations, however, provide no support for Acacia's attempt to define "sequence encoder" to mean "time encoder."

Both Mr. Weiss and Dr. Alexander employ a "process of elimination" to reach their conclusion that "sequence encoder" means "time encoder." *See* Weiss Decl. ¶ 33; Alexander Decl. ¶ 20. According to Alexander, for example, because the "sequence encoder" cannot be the "identification encoder," "[b]y simple logic and the process of elimination, one of ordinary skill in the art would understand that the sequence encoder must be the time encoder." Alexander Decl. ¶ 20. That "logic," however, is actually a logical fallacy. Alexander is simply assuming his conclusion—that the meaning of "sequence encoder" is given in the specification and must be either the time encoder or the identification encoder. Again, Acacia cannot save its claims through circular reasoning.

Weiss and Alexander also rely on the argument that "sequence encoder" must mean "time encoder" because the word "sequence" sometimes occurs in the same portion of the written description as the term "time encoder." *See, e.g.*, Alexander Decl. ¶¶ 20-29. But as we have seen, *Union Pacific* rejects the idea that an undefined and unexplained term becomes definite simply by association with another term.

Furthermore, the term "sequence encoder" is not only absent from the written description of the '702 patent, it also never appears in any of the references Dr. Alexander appends to his declaration in alleged support of his equation of the "sequence encoder" with the "time encoder." Some of those references discuss "time codes," but they do not discuss "sequence codes," or give any idea as to what the patentees might have meant by the term “sequence encoder.” *See* Alexander Decl. Exs. 2-8; *see also* Lippman Decl. ¶ 61. In fact, Dr. Alexander’s purpose in attaching those exhibits appears not to have been to show what “sequence encoder” means, but what “time encoder” might mean. Once again, Dr. Alexander is simply assuming his premise—that “sequence encoder” means “time encoder.”

In fact, the Weiss and Alexander declarations simply confirm that the term “sequence encoder” is insolubly ambiguous in the context of the ’702 patent. The Weiss declaration, for example, is not even internally consistent about the meaning of the term. On the one hand, Mr. Weiss asserts that “a Sequence Encoder would be an encoder for the purpose of establishing the sequence of items or objects.” Weiss Decl. ¶ 70. He later concludes that a person of ordinary skill in the art “would have understood it most likely to be special purpose hardware generating a time code and associating it simultaneously with the video and audio of the content or a computer program or routine, running on either standard or specialized computer hardware, for the same purpose.” Weiss Decl. ¶ 86. But the concept of associating a time code with audio and video content is quite different from the concept of “establishing the sequence” of such content in the first place.

Thus, Acacia’s expert declarations do not support its argument that “sequence encoder” is definite and means “time encoder.” To the contrary, those declarations confirm that a person of ordinary skill in the art would not know what the “sequence encoder” is, but instead would be forced to simply make up his own definition of the term, as Mr. Weiss and Dr. Alexander have done. The definiteness requirement precludes Acacia from claiming a patent monopoly on the basis of a term that a person of ordinary skill in the art would not understand, and that even its own experts cannot consistently define. *See, e.g.*, *United Carbon*, 317 U.S. at 233-36; *Datamize*, 2005 U.S. App. LEXIS 16176, at *10-11.

d. Even assuming, *arguendo*, that “sequence encoder” means “time encoder,” it is still indefinite.

Finally, even if we assume for the sake of argument that “sequence encoder” means “time encoder”—which it does not—the term is still indefinite because the function of a time encoder is likewise unclear. While the specification states that time encoding is a "preferred addressing scheme," the patent uses the term "address" in a bewildering array of different senses, many of which seem to have nothing to do with assigning relative time markers. Thus, the relationship between "time encoding" and "addressing" in the '702 patent remains a mystery.

As one of the references that Dr. Alexander attaches accurately states, "[t]he words 'name' and 'address' are used in many different ways when describing components of a computer system." Alexander Decl., Ex. 9 at 117. The '702 patent uses "address" in all of those ways, and more. *See*, *e.g.*, '702 6:45 ("file **address**"); 8:10-12 ("system **addressing** of particular data byes, and user **addressing** of particular portions of items are all made possible through time encoding"); 8:15-16 ("further **addressing** down to the individual byte is possible"); 9:23 ("**addressable** packets of information"); 10:7-11 ("The file may contain the compressed audio and/or video data, time markers, and the program notes . . . [and] is **addressable** through the unique identification code assigned to the data by the identification encoder 112."); 10:25-37 ("Stored items are preferably accessed in compressed data library 118 through a unique **address** code. The unique **address** code is a file **address**. . . . Compressed data library **addresses** along with receiving system **addresses** are used to form a completely unique **address** for distribution system control. The unique **address** code is an **address** assigned to the item by the system operator[.]").

Often, the inventors seem to be using the term "addressable data blocks" to refer to "data structures." '720 18:53 ("FIGS. 8a-8e are block diagrams of preferred implementations of data structures and data blocking for items in the audio and video distribution system."). In computer science, the "address" of a data structure is typically understood to refer to the portion of computer memory where that data is stored. But that concept has nothing whatsoever to do with "time codes" or "assigning relative time markers." Indeed, the very documents that Dr. Alexander attaches to his declaration confirm this fact. Those documents discuss the concept of "time codes," but none of them associates a "time code" with the concept of addresses for data structures. *See* Alexander Decl. Exs. 2-8. And Weiss and Alexander themselves simply ignore the idea of "addressable data blocks" in their own interpretations of "sequence encoder" and "time encoder" to mean, respectively, "most likely . . . special purpose hardware generating a time code and associating it simultaneously with the video and audio of the content" (Weiss Decl. ¶ 86), or "computer hardware and software to create numeric or alphanumeric time codes." Alexander Decl. ¶ 29.

By asserting that the time encoder both "assigns relative time markers" and places data into "a group of addressable blocks," therefore, the patentees have rendered the meaning of "time encoder" unclear, because the '702 patent uses "address" in ways that defy any relationship between those concepts. Thus, even if we assumed that "sequence encoder" means "time encoder," which it does not, it would still be indefinite.

For the foregoing reasons, this Court was correct in finding that the term "sequence encoder" is indefinite.

2. "Identification encoder" is indefinite.

The Court also correctly found that the term "identification encoder" is "insolubly ambiguous" because "one of ordinary skill in the art would not understand the scope or bounds of the claim, when it is read in light of the specification[.]" Order at 35:21-23. As the Court observed—and Acacia has not disputed—"identification encoder" has no ordinary and customary meaning. Order at 35; Lippman Decl. ¶¶ 22-27. Indeed, while Acacia was able to find four prior-art patents that used the term, they used it in four "completely different ways, none of which are applicable here[.]" Order at 35. Neither the '702 patent nor the testimony of Acacia's experts supplies a definition.

a. The intrinsic evidence fails to supply a meaning to "identification encoder"

Because "identification encoder" has no ordinary and customary meaning, the Court must try to divine a meaning from the claims and the specification. *See generally Phillips*, 2005 U.S. App. LEXIS 13954, at *25-35. They provide scant help. "Other than the term itself, the specification contains no description of the structure of an 'identification encoder.' It is unclear whether it is hardware, software, or as claimed with another element, a human being." Order at

19. Further, "[t]he specification does not disclose an algorithm, software or apparatus to perform the function of assigning a unique identification code." *Id.* at 35.

In Acacia's view, this absence of any disclosure means that "identification encoder" should encompass *any* structure that assigns a unique identification code. *See* Mot. at 20 (advocating the construction, "*a structure* that assigns a unique identification code" (emphasis added)). In other words, Acacia's view is that by disclosing nothing, it has claimed everything. But no court has adopted that rule, nor should this Court adopt it now, because the Patent Act requires inventors to "particularly point out and distinctly claim[]" their invention. 35 U.S.C. § 112, ¶ 2. Apparatus claims that purport to cover *any* structure that performs a stated function violate this requirement. *Halliburton Oil Well Cementing Co. v. Walker*, 329 U.S. 1, 12 (1943) (superseded by statute).

In *Halliburton*, the Supreme Court invalidated claims as indefinite because they used "conveniently functional language" to distinguish the claimed invention from the prior art. *Id.* at 8-13. Such "blanket claims" violate the definiteness requirement, the Court held, because if valid, they would cover any device "now known or hereafter invented" that performed the stated function. *Id.* at 12. In response to *Halliburton*, Congress enacted 35 U.S.C. § 112, ¶ 6, which struck a compromise between the need for definiteness and convenience in claim drafting. Section 112, ¶ 6 allows functional claiming, but it limits the claim's scope to the specific structures that the specification discloses to perform those functions, and equivalents of those structures. Patentees are free to draft claims under § 112, ¶ 6, but if they choose not to do so, they must draft claim limitations that define the claim's scope. "Accordingly, defining a limitation purely by function, such that it covers all means of achieving the function, renders a claim indefinite." *Harrah's Entm't, Inc. v. Station Casinos*, 321 F. Supp. 2d 1173, 1179 (D. Nevada 2004).[5]

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[5] Acacia effectively admits that, through its unbounded construction of "identification encoder," it seeks to capture the "blanket" claim scope that *Halliburton* and § 112, ¶ 6 prohibit. In the July 12, 2004 Order, the Court found that the term "identification encoding means" is indefinite because the specification fails to disclose a corresponding structure. Order at 21. Acacia does not contest that finding—thus conceding that the claims that recite "identification encoding

Moreover, even if such purely functional claiming were permissible, "identification encoder" would still be indefinite because the '702 patent discloses an assortment of seemingly unrelated functions that an "identification encoder" may or may not perform, rendering its function almost as vague as its structure. Claim 1 recites an "identification encoder," and in a separate limitation, recites that "the identification encoder gives items in [the] compressed data library a unique identification code." '702 19:31 and 34-37. According to the Federal Circuit, this context is "highly instructive," and leads to the conclusion that assigning a unique identification code to items in the compressed data library is *not* an inherent function of an "identification encoder." *See Phillips*, 2005 U.S. App. LEXIS 13954, at *27 ("To take a simple example, the claim in this case refers to 'steel baffles,' which strongly implies that the term 'baffles' does not inherently mean objects made of steel."); *see also Telemac Cellular Corp. v. Topp Telecom, Inc.*, 247 F.3d 1316, 1325 (Fed. Cir. 2001) (rejecting a proposed construction because it would render another phrase in the claim "mere surplusage"). Thus, Claim 1 alone indicates that Acacia's proposed construction of "identification encoder" as "a structure that assigns a unique identification code" cannot be correct.

Claim 17 only confuses matters further. It recites an "identification encoder," but it is silent as to what function or functions the "identification encoder" performs. '702 20:41-59. There is no easy answer. According to Acacia's expert Mr. Weiss, the specification discloses *sixteen* "evident properties of an Identification Encoder as described in the '702 patent." Weiss Decl. ¶ 43. Those properties span a wide assortment of functions, from copy-protecting files, to indexing songs by starting frame number, to accessing and updating a master item database. *Id.* If an accused apparatus includes a structure whose sole function is to copy-protect, does it have an "identification encoder" as recited in Claim 17? What if it has a structure whose sole function is to assign a "unique address code"—something that the patent discloses is *different* from a "unique identification code," but which appears to have the same or overlapping functions? *See,*

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means" are invalid because the patent fails to limit them to any particular structure. Yet Acacia contends that "identification encoder" should be construed just as broadly—to cover any structure that assigns a unique identification code—but should be upheld as definite.

e.g., 702 11:1-7 (stating that the user may preferably access an item via its unique identification code and also by its unique address code). One skilled in the art can only guess. *See* Lippman Decl. ¶¶ 51-56.

Thus, not only do the ’702 patent’s claims and specification fail to disclose the structure of an “identification encoder,” but they obfuscate its functions. They strongly imply that assigning a unique identification code is *not* an inherent function of an “identification encoder,” whereas performing copy protection, indexing, database management, and a host of other functions are “evident properties” of one.

b. Acacia’s expert declarations do not show that “identification encoder” is definite—on the contrary, they confirm that it is insolubly ambiguous

If the foregoing discussion leaves any doubt that “identification encoder” is indefinite, Acacia’s expert declarations eliminate that doubt. Those declarations confirm that “identification encoder” violates the touchstone of the definiteness requirement—“to permit a potential competitor to determine whether or not he is infringing.” *Cardinal*, 5 F.3d at 1470.

During prosecution of the ’702 patent, the Examiner initially rejected Claim 1 and other claims as anticipated by U.S. Patent No. 5,130,792 to Tindell *et al.* Declaration of David J. Silbert (“Silbert Decl.) Ex. 1. The prior-art Tindell patent discloses a system and method for transferring video programs over commercial telephone lines. It describes the invention in terms that are strikingly similar to the Yurt patents. In Tindell, video programs are transferred “from a first location to a remote location[.]” *Id.* at 2:4-5. “The program signals are digitized, compressed, and stored at the first location, and transferred to the remote location on the request of a viewer.” *Id.* at 2:7-9. The receiving unit then stores the program for viewing “at a time selected by the viewer.” *Id.* at 2:66-68. And, critically for these purposes, the viewer may identify the program to be delivered by dialing an access number on a touch-tone telephone and “entering a proper set of codes.” *Id.* 3:25-27. The patent describes these “codes” as “sequences of tones generated by a DTMF [touch-tone] telephone in response to a user pressing buttons thereon in selected patterns, such patterns identifying . . . the desired video program[.]” *Id.* at

9:11-15.

In response to the Examiner's assertion that Tindell anticipates Claim 1, the applicants stated that Tindell does not disclose an *identification encoder*. Silbert Decl. Ex. 2. Thus, a competitor should be assured that it can avoid meeting the "identification encoder" limitation of Claim 1 by using the identification system disclosed in Tindell. But in fact, a competitor could never be assured of this, because Acacia asserts that an "identification encoder" may be virtually *any* structure. Thus, competitors have no way of determining whether or not the limitation is met.

Acacia's expert declarations make this absolutely clear. In Mr. Weiss's declaration, he explains how a person skilled in the art would "make and use the Identification Encoder described in the '702 patent." Weiss Decl. ¶ 67. According to Mr. Weiss, a skilled artisan would understand that the "identification encoder" assigns a code that a viewer could enter, for example, "into a telephone number pad," and that may or may not be reused over time. *Id.* at ¶¶ 67-68. In other words, the "identification encoder" would assign precisely the same type of "code" disclosed in Tindell. If the encoder is not limited to a particular structure—but rather could be *any* structure that performs this function—there is no way to distinguish the "identification encoder" in the '702 patent from what is necessarily present in Tindell.

Where a patent claims a narrow improvement over the prior art, the patentee must use particular care to ensure that the difference is claimed with specificity. *Amgen v. Chugai,* 927 F.2d 1200, 1218 (Fed. Cir. 1991). As the Federal Circuit explained in *Amgen*, "[w]hen the meaning of claims is in doubt, especially when, as is the case here, there is close prior art, they are properly declared invalid." *Id.* During prosecution of the '702 patent, the applicants identified the "identification encoder" as the sole alleged difference between their asserted invention and the prior art. But as Mr. Weiss's declaration shows, no competitor can rely on that difference to ensure will not infringe because "identification encoder" has no specific meaning. Accordingly, the term is indefinite.

c. Acacia's other arguments are meritless

Acacia's Motion makes two other arguments to overcome the Court's finding that "identification coder" is indefinite. First, it asserts that the Court's Order was "factually incorrect," and that the specification discloses a structure after all, because a person skilled in the art would have understood that the term "identification encoding *process*" in Figure 2A "describe[s] the structure of the identification encoder as including software." Mot. at 21. This newly hatched argument contradicts both logic and Acacia's own prior statements. It simply defies reason to assert that the word *process* describes a *structure*. Moreover, before the Court found that "identification encoder" is indefinite, Acacia itself did not contend that the structure had to include software. Acacia's original proposed definition was "a device *or* software capable of expressing the identification of an item in terms of code." Order at 34 (emphasis added).

Second, Acacia argues that "identification encoder" must be definite because the Court construed it. Mot. at 21. But that is simply wrong. That the Court tried to fashion a workable definition in no way precludes it from finding the term indefinite. *See Union Pac.*, 236 F.3d at 689, 692 (affirming the district court's holding that the term "comparing" was indefinite despite the fact that the district court initially construed it). In fact, this frequently occurs. *See Chiron Corp. v. Genentech, Inc.*, No. Civ. S-00-1252 WBS, 2002 U.S. Dist. LEXIS 19150 (E.D. Cal. 2002) at *6 ("[I]t is not uncommon for courts to find a claim term invalid for indefiniteness after construing the term.").

For these reasons, the Court correctly concluded that "identification encoder" is insolubly ambiguous.

B. The Court's construction of "a transmission system at a first location" is correct.

This Court was also correct in holding that the phrase "a transmission system at a first location" means "a transmission system at one particular location separate from the location of the reception system." Order at 31. The phrase "at a first location" is simply not susceptible to Acacia's proposed construction of it to mean "at one or more locations." None of Acacia's rehashed arguments make its construction any more feasible now than it was when the Court previously rejected it.

Acacia's approach in its motion for reconsideration is to consider each of the terms "at," "a," and "first" separately, arguing that none of them, taken alone, compels the conclusion that the transmission system is located at one particular location. As the Federal Circuit has recently made clear, however, it is improper to focus on individual claim terms in the abstract, rather than on their meaning in context. *Phillips*, 2005 U.S. App. LEXIS 13954, at *49. Thus, the proper inquiry is not the individual words "at," "a," and "first," but those words as they occur together in the phrase "at a first location," and in the context of the patent as a whole.

Acacia's discussion of the meaning of the word "a" illustrates the error in its approach. Acacia argues that "a" means "one or more," and that "[t]he fact that the term 'a' follows the term 'at' is irrelevant." Mot. at 10. But the context of a claim term is never irrelevant. *See Phillips*, 2005 U.S. App. LEXIS 13954, at *48. And in any event, Acacia is just wrong to assert that the meaning of "a" is unaffected by the preceding word "at." Consider the sentences, "The Smiths have a house," and "The Smiths are at a house." It would be proper to interpret "a" to mean "one or more" in the former sentence, but not in the latter. The fact that the Smiths have "a" house does not mean that they have no others. But if the Smiths are "*at a*" house, they are all together at a particular house, not spread out among "one or more."

Nevertheless, Acacia argues that the word "at" does not indicate presence at a particular location because the patentees used the word "at" in phrases such as "at multiple locations." Here, Acacia ignores the context of its own examples. In every one of those examples, the patentees use the *plural* form of the word "locations," and none of them contains the word "first." Acacia cannot cite an example where "at a location"—much less "at a first location"—means "at one or more locations." When "at" is used in the context of a singular noun, such as "location," and particularly when it is used along with the word "first," it does, as the Court held, connote presence at a *particular* location. In fact, the only significance of Acacia's examples is that they show that the patentees knew how to claim a device that is located "at multiple locations" when that was their intent, and that they did not do so when they claimed "a transmission system at a first location."

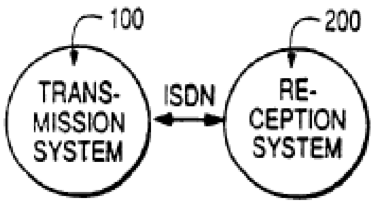
Acacia attempts to defend its interpretation by appealing to the general rule that the word "comprising" is open-ended. But "comprising" is "not a weasel word with which to abrogate claim limitations." *Spectrum Int'l v. Sterilite Corp.*, 164 F.3d 1372, 1380 (Fed. Cir. 1998). A patentee "cannot use this open-ended term to recapture what he had otherwise given away." *Smith & Nephew, Inc. v. Ethicon, Inc.*, 276 F.3d 1304, 1315 (Fed. Cir. 2001). The phrase "at a first location," taken as a whole, makes clear that the transmission system is at one particular location, and the use of the word "comprising" does not change that fact.

Acacia also relies heavily on *Gillette Co. v. Energizer Holdings, Inc.*, 405 F.3d 1367 (Fed. Cir. 2005), in arguing that the word "first" in "at a first location" does not imply a particular location. But *Gillette* does not stand for that proposition. There, the court simply held that the language "comprising . . . a group of first, second, and third blades" could read on a four-blade razor. *Id.* at 1373. The court did *not* hold that the "first blade" could actually consist of several blades, as Acacia implies. Instead, the court made clear that "these ordinal terms designate different blades within the 'unit' according to their location and elevation." *Id.* In other words, the terms "first," "second" and "third" designated *particular* blades, just as here "first" and "second" designate particular locations.

And *3M Innovative Properties Co. v. Avery Dennison Corp.*, 350 F.3d 1365 (Fed. Cir. 2003), on which Acacia also relies, cuts in favor of this Court's construction, and against Acacia's. There, the court held that the use of the terms "first pattern" and "second pattern" was "equivalent to a reference to 'pattern A' and 'pattern B,' and should not in and of itself impose a serial or temporal limitation. . . ." *Id.* at 1371. The court did *not* suggest that "pattern A" could actually be multiple patterns A, C, and D. To the contrary, "pattern A" clearly means a *particular* pattern. Thus, applying the *3M* court's interpretation of the words "first" and "second" here leads to a construction that is indistinguishable in meaning from the one adopted by this Court: "a transmission system at location A separate from the reception system at location B."

Acacia also argues that this Court erred in stating that Figures 1a, 1b, 1c, 1f, and 1g of the '720 patent illustrate a transmission system at a particular location, citing the patentee's statement that "[t]ransmission system 100 may either be located in one facility or may be spread over a plurality of facilities." But that statement was specifically directed to Figures 2a and 2b, not to the figures the Court cited. With respect to Figure 1a, in particular, the patentees made clear that, as the Court indicated, the transmission system is at one particular location, and the reception system is at another: "As shown in FIG. 1a, the transmission and receiving system may preferably comprise a *peer to peer* configuration where *one* transmission system 100 communicates with *one* reception system 200." '702 at 3:60-63 (emphasis added).

FIG. 1a



It makes no sense to describe that configuration as "peer to peer," with "one" transmission system communicating with "one" reception system, if it is meant to show multiple locations for transmission and reception.

In any event, the patentee's statement that "transmission systems" can be spread over a plurality of facilities says nothing about whether the same can be true of "a transmission system at a first location."[6] As this Court correctly observed in the Order, Acacia's failure to distinguish between the two phrases violates the fundamental principle that each word of the claim must add meaning. *See* Order at 30 (citing *Ethicon Endo-Surgery v. U.S. Surgical Corp.*, 93 F.3d 1572, 1582 (Fed. Cir. 1996); *Exxon Chem. Patents, Inc. v. Lubizol Corp.*, 64 F.3d 1553, 1557 (Fed. Cir. 1995)). To adopt Acacia's construction would be to read "at a first location"—and in particular

[6] For this reason, the Court should not modify the definition of "transmission system" to state that it may be "located in one or more facilities," as Acacia requests. *See* Mot. at 3-4. This definition would create considerable confusion when applied to claim elements with the limiting phrase "transmission system *at a first location*."

the word "first"—out of the claim. That is not allowed.[7]

For the foregoing reasons, this Court should deny Acacia's motion for reconsideration, and should continue to construe "a transmission system at a first location" to mean "a transmission system at one particular location separate from the location of the reception system."

C. The Court's construction of "a reception system at a second location" is correct.

Acacia's arguments against the Court's construction of "a reception system at a second location" are identical to its arguments against the Court's construction of "a transmission system at a first location," and fail for the same reasons. Moreover, considering Acacia's proposed constructions of the two phrases together merely confirms that this Court's constructions are correct. In Acacia's proposed constructions, it refers to "*the* location of the transmission system," and "*the* location of the reception system. " Acacia Mot. at 5, 12. "It is a rule of law well established that the definite article 'the' *particularizes* the subject which it precedes." *NTP, Inc. v. Research in Motion, Ltd.*, 392 F.3d 1336, 1359 (Fed. Cir. 2004) (quoting *Warner-Lambert Co. v. Apotex Corp.*, 316 F.3d 1348, 1356 (Fed. Cir. 2003)). Perhaps Acacia's use of the definite article in its own constructions was an oversight, but it illustrates that the natural reading of the disputed claim language, even for Acacia when it lets its guard down, is that the reception system is at one *particular* location, and the transmission system is at another

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[7] Acacia also argues that the Court somehow erred in remarking that the specification does not explain the actual structural components required to have a transmission system in more than one location, and that the patentees' limitation of the claim not to cover such a system was an effort to preserve the validity of the claim. In fact, Acacia presents that as its *primary* argument. *See* Mot. at 5-7. It is not clear why. The Court's comment was, after all, a footnoted aside. But in any event, the Court was correct: the Yurt patentees did not disclose the actual structural components required to have a transmission system at more than one location. Acacia's purported descriptions of "how such transmission systems would operate" are nothing of the kind. They simply reiterate the idea that a geographically distributed transmission system is possible, without explaining the structural components required to implement such a system.

Finally, Acacia asserts that if the patentees had meant to limit the transmission system to a particular location, they would have claimed "a transmission system at a *single* first location." But that phrase is redundant. The words "at a first location" already convey that the location is singular.

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particular location.

D. Defendants do not oppose Acacia's proposed modification of "in data communication with."

We do not object to eliminating the words "one or more devices" from the definition of "in data communication with." In fact, the term "in data communication with" does not directly refer to devices, but rather to the relationship between them, so the definition need not specify the number of devices at all. Likewise, we do not object to replacing the words "in real time" in the definition if Acacia believes they may cause confusion.

III. CONCLUSION

Acacia has offered no reason for the Court to reconsider its conclusion that the terms "sequence encoder" and "identification encoder" are indefinite, and that the terms "at a first location" and "at a second location" mean what they say. For the foregoing reasons, the Court should deny Acacia's motion.

Dated: August 25, 2005

KEKER & VAN NEST, LLP

By: /s/ David J. Silbert
DAVID J. SILBERT
Attorneys for Defendant
COMCAST CABLE COMMUNICATIONS, LLC